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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMMISSIONARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this agreement is the KL/PIL Space Charter and Sailing Agreement (the “Agreement”).

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to permit the Parties (defined in Article 3) to charter space on vessels, coordinate their sailings, and cooperate in the carriage of cargo in the Trade (defined in Article 4).

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties (“Parties”) to this Agreement are:

KAWASAKI KISEN KAISHA, LTD. (“K’ Line”)

Iino Building

1-1, Uchisaiwaicho 2-chome, Chiyoda-ku

Tokyo, 100-8540 Japan

PACIFIC INTERNATIONAL LINES (PTE) LTD. (“PIL”)

140, Cecil Street, #03-00, PIL Building

Singapore 069540

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

This Agreement covers the following geographic scope, including inland and coastal points, via direct service or transshipment, which shall be known as the “Trade”:
Between The People’s Republic of China (including Hong Kong) and the Pacific Coast of the United States of America. There shall be no geographical restrictions on the origin or destination of cargo carried on vessels covered by this Agreement. In other words, such cargo may originate from or be destined for ports or points outside the geographic scope of this Agreement.

ARTICLE 5: OVERVIEW OF AGREEMENT AUTHORITY

5.1. The Parties are authorized to charter space in the Trade up to the full reach of a vessel, on vessels owned or chartered by any Party, or space available to a Party under an agreement with another carrier, on such terms and conditions as the Parties may agree. A Party will take slots in a service in proportion to the capacity it provides in that service,

unless otherwise agreed by the Parties. A Party is authorized to transfer to another vessel operating common carrier slots that the transferring Party controls, so long as such transfer is authorized under the Shipping Act of 1984, as amended ("Shipping Act") and approved in writing by the Party which is the provider of the slot. To facilitate efficient operations under this Agreement, the Parties may discuss and agree upon their space requirements and the availability of such space in vessels owned or chartered by the Parties, as well as arrangements for chartering vessels, coordination of sailings and port calls, the place and timing of the provision of space; procedures for booking space, for documentation, for special cargo handling instructions or requirements; all matters relating to the transshipment of cargo moving under this Agreement on vessels provided by the Parties or by other carriers; other administrative matters relating to chartering and transportation under this Agreement; and the terms and conditions for the use or interchange of equipment in the carriage of cargo in the Trade.

Initially, "K" Line shall release 450TEUs per voyage to PIL eastbound in the Calco-C service (China to California) and same space per voyage to PIL westbound in the Calco-B service (California to China). This number of TEU may be increased or decreased by up to fiftyone hundred percent and the TEU may be provided in any service in the Trade without amendment of this Agreement.

5.2. Compensation, billing and payment terms and conditions for space chartered pursuant to this Agreement shall be upon such terms and at such hire as the Parties may agree.

5.3. The Parties are authorized to discuss and agree upon arrangements for the use of terminals in connection with the chartering of space, including entering into exclusive, preferential, or cooperative working arrangements with marine terminal operators and any person relating to marine terminal, stevedoring or other shoreside services. Nothing herein authorizes the Parties jointly to operate a marine terminal in the United States.

5.4. The Parties are authorized to exchange information on any matter within the scope of this Agreement and to reach agreement on any and all related administrative and operational functions including, but not limited to, forecasting, terminal operations, stowage planning, insurance, liability, cargo claims, indemnities, the terms of their respective bills of lading, failure to perform and force majeure.

5.5. The Parties are authorized to enter into agreements about routine operational or administrative matters to implement this Agreement. Any further agreement which does not concern operational or administrative matters shall not go into effect unless filed and effective under the Shipping Act.

5.6. A Party may discuss and agree on operational matters of common interest with any party to the KL/WHs SPACE CHARTER AND SAILING AGREEMENT (FMC No. 012164).